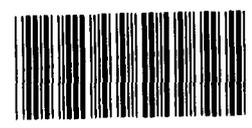


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Testimony



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Implementation of the
Carl D. Perkins Vocational
Education Act

Statement of
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for Education and Employment Issues
Human Resources Division

Before the
Committee on Education and Labor
United States House of Representatives



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SUMMARY OF GAO TESTIMONY BY WILLIAM J. GAINER
ON IMPLEMENTATION OF THE CARL D. PERKINS
VOCATIONAL EDUCATION ACT

The Perkins Act seeks to (1) provide quality vocational education to underserved groups (such as the disadvantaged, the handicapped, and adults in need of training) and (2) encourage program improvement and modernization. While GAO believes that Perkins Act funds, by and large, are being used appropriately for these purposes, a number of potential problems were identified regarding program targeting to economically depressed areas (EDAs) and disadvantaged students, and the adequacy of program data. GAO's review was conducted in Arkansas, California, Kansas, Maryland, New Jersey, and Pennsylvania.

LESS PROGRAM IMPROVEMENT SPENDING IN EDAs. In the future, a larger portion of the workforce is expected to be composed of women, minorities, and immigrants--the latter two being groups who along with the poor tend to be concentrated more in EDAs than in wealthier areas. However, economically depressed areas in Arkansas, California, and Pennsylvania received less Perkins program improvement funding per vocational education student than other local areas in those states.

ALLOCATION MECHANISMS CAN DIRECT FUNDING TO MORE AFFLUENT SCHOOL DISTRICTS. GAO identified certain aspects of program allocation mechanisms which tend to direct funding to more affluent areas and away from poor communities. Specifically, (1) relatively wealthy areas are sometimes designated as "economically depressed" for Perkins funding purposes and are therefore provided greater funding for each vocational education student than vocational education students in communities with much lower incomes and having a higher incidence of poverty; (2) the disadvantaged population allocation formula shifts funds from poor to more affluent communities because it includes students who are academically disadvantaged, but not economically disadvantaged; and (3) reallocations of disadvantaged and handicapped population funds returned to states by poor communities can be reallocated to wealthier areas within the state.

AVAILABILITY OF VOCATIONAL EDUCATION DATA. Complete and reliable data on vocational education enrollment and spending, which might have aided GAO in reaching more definitive conclusions concerning the implementation of the Perkins Act on a nationwide basis, were unavailable at either the national or state levels.

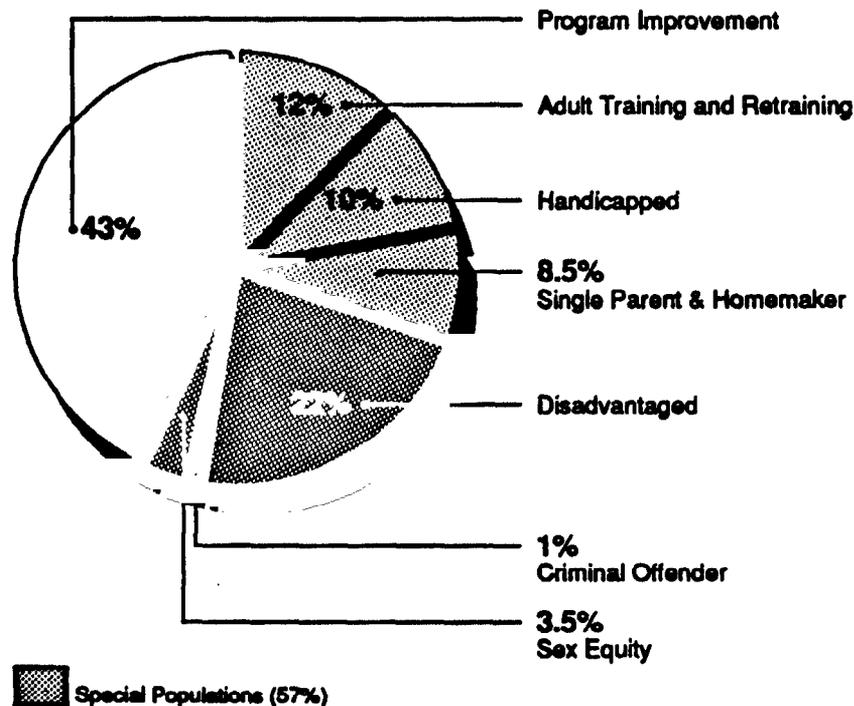
Mr. Chairman and Members of the Committee:

We are pleased to be here today to discuss the results of our work on the Carl D. Perkins Vocational Education Act. The major provisions of the law seek to provide quality vocational education to underserved groups and to encourage program improvement and modernization. We believe that Perkins funds, by and large, are being used appropriately for these purposes. However, we did find (1) potential problems regarding program targeting to economically depressed areas and the disadvantaged, and (2) problems with the adequacy of program data.

BACKGROUND

For fiscal year 1989, the federal government provided \$961 million for Perkins Act program activities. Most of this money is allocated to local education agencies, with 57 percent earmarked for targeted groups. Congress specifically targeted six "special population" groups for service -- the disadvantaged, the handicapped, adults in need of training or retraining, single parents and homemakers, participants in programs nontraditional for their sex (sex equity), and incarcerated individuals. The

GAO Distribution Of Basic State Vocational Education Grants



other 43 percent is for program improvement, including innovation and expansion activities, such as developing exemplary vocational education programs stressing new technology, introducing new programs, and training workers in skilled occupations needed to revitalize business and industry. In addition, Congress required that more than half of all Perkins funds must be allocated to "economically depressed" areas. Although the federal contribution to U.S. vocational education is limited, state and local officials believe the federal involvement is important because it establishes national priorities and supplements state and local funding.

As part of your preparation for 1989 reauthorization hearings, you asked us to examine how well the Perkins Act is being implemented. Specifically, we were asked to identify reauthorization issues and potential problems, particularly those that might not be covered by the Department of Education's multi-million dollar National Assessment of Vocational Education which is now being completed. In discussions with committee staff, we agreed to focus on the extent to which:

- targeted federal vocational education funds are adequately serving the special populations and program improvement funds are furthering specific activities for which they were intended,
- nationally comparable data are necessary and available at the federal level to assist in legislative and executive oversight and management of the Perkins Act.

RESULTS IN BRIEF

In general, we found in the locations we studied that although useful before and after data are not readily available, the Perkins Act likely brought about a major shift in federal emphasis--away from maintaining outdated vocational education curricula and toward improving and modernizing local programs and increasing the participation of targeted population groups. We believe that localities are providing programs and services consistent with the activities specified in the law.

GAO Overview Of Findings

- Local programs & services consistent with law
 - Students in poor areas get less program improvement
 - Allocation mechanisms allow relatively wealthy areas to get more funding per student
 - Returned fund allocations--too small or difficult to match
-

However, our work indicated that some allocation mechanisms tend to direct money to more affluent communities and away from poor communities. Specifically,

- vocational education students in economically depressed areas are less likely to receive as much Perkins funding on a per-capita basis for improved or modernized program activities as students outside such areas;
- some states designate relatively wealthy areas as "economically depressed" and provide greater per-capita funding to these areas than to some poorer communities;
- the allocation formula for disadvantaged population funds shifts funds from poor communities to more affluent ones because it includes nonpoor academically disadvantaged students; and
- disadvantaged and handicapped population funds, allocated by statutory formulas and returned to

the states by some eligible recipients, can be reallocated from poorer to wealthier communities.

METHODOLOGY

Before elaborating on these findings, I would like to briefly explain our methodology. Prior to implementing our study, we convened a panel of vocational education experts to discuss our approach. They reviewed and critiqued our objectives and data collection instruments. Panel members included representatives from professional vocational education organizations, state vocational education agencies, and staff members from your committee.

We reviewed vocational education activities in 6 states and 20 local educational agencies. Though it was impractical to review a statistically representative sample of all states and school districts which participate in the Perkins program, the locations included in our review provide a broad mix of demographic characteristics, service providers, and federal and state funding levels. These states, Arkansas, California, Kansas, Maryland, New Jersey, and Pennsylvania received \$158 million dollars in Perkins grants for school year 1986-87. In each state and at each locality, we interviewed vocational education officials regarding how they prepare, review, and approve local plans, distribute funds, and evaluate their programs. In each locality, we observed vocational education programs and activities which are supported with Perkins funds and collected available data on student participation and spending for vocational education for school years 1984-1985 through 1986-1987.

We used Census data to analyze the manner in which Perkins funds are allocated to economically depressed areas and to assess the impact of the formula used to allocate funds for the disadvantaged.

PROGRAMS AND SERVICES PROVIDED ARE CONSISTENT WITH PERKINS ACT

Based on our interviews with state and local officials and our observations of approximately 70 programs and activities in the 20 localities visited by our staff, we believe the Perkins Act provisions to (1) provide access to vocational education for targeted groups and (2) modernize state and local programs have been well received by practitioners and are getting positive results. However, complete and reliable data nationwide on vocational education enrollment and spending which might have

aided us in reaching more definitive conclusions were unavailable.

In regard to vocational education for targeted groups, we observed programs and services which were directly related to Perkins Act requirements. These included improving the special populations' access to vocational education, training or retraining workers in new skills, and providing a full range of support services such as guidance, counseling, and job placement.

For example, California funded special projects to develop exemplary programs and prevent dropouts among disadvantaged students. Pennsylvania provided additional vocational education assistance through a variety of projects, including technical assistance and in-service programs for the disadvantaged and handicapped. Services were also provided in most states to each targeted group mentioned in the Perkins Act. (See exhibits I and II for more detailed information on the principal uses of the Perkins Act funds to benefit targeted populations.)

The six states and local institutions we studied also modernized or expanded their vocational education programs in a number of ways which appeared to be consistent with the Perkins Act's legislative intent. The permitted uses we observed included creating or expanding programs to train workers in skilled occupations needed to revitalize business and industry; developing exemplary vocational education programs stressing new technology; acquiring high-technology equipment to improve local programs; expanding existing programs to meet student needs; developing improved curricula; and improving the skills of vocational teachers and administrators. (See exhibit III for additional information on program improvement activities.)

LOWER PER STUDENT SPENDING FOR PROGRAM IMPROVEMENT IN ECONOMICALLY DEPRESSED AREAS

In the future a larger portion of the workforce is expected to be composed of women, minorities, and immigrants--the latter two being groups who along with the poor tend to be concentrated more in economically depressed areas (EDAs) than in wealthier areas. For example, California reported 120,000 economically disadvantaged high school students in its EDAs and 24,000 economically disadvantaged students in areas outside the state's EDAs. However, as shown below, we found that in three of the six states we studied (Arkansas, California, and Pennsylvania), poor communities received less Perkins program improvement funds per vocational education student than wealthier areas in those states.

GAO Distribution of Program Improvement Funds to EDAs

State	Voc Ed Students In EDAs	Program Improvement Spending in EDAs
California	70%	57%
Pennsylvania	89%	82%
Arkansas	54%	47%
Kansas	49%	51%
Maryland	54%	66%
New Jersey	36%	69%

NEED TO CONSIDER SPECIAL POPULATIONS IF PROGRAM IMPROVEMENT PROPORTION INCREASED

Recognizing the nation's need to train higher skilled workers, individual experts and organizations (including several state vocational education directors and the Council of Chief State School Officers) have recently suggested that an increased portion of Perkins funding be specifically allocated for program improvement activities. Although any increase in the current proportion of Perkins funds spent on program improvement would remain a relatively small share of the nation's total vocational education spending, it could contribute to accelerating the pace of modernization in some local vocational education programs.

Language in the Perkins Act encourages the use of program improvement funds for the special population but there is no requirement to do so. Thus, any increase in the percentage of Perkins funds allocated for program improvement activities could have a negative impact on the spending for special populations, unless steps are taken to ensure that those groups receive some of the benefit of the increased emphasis on program improvement.

GAO Better Targeting of Perkins Act Allocations: Overview

<u>Problem</u>	<u>Needed Improvement</u>
EDA Designations	Require at least as much funding per student in EDAs as non-EDAs
Including academically disadvantaged in funding formula	Remove non-poor academically disadvantaged from formula
Reallocation of returned disadvantaged and handicapped funds	Require redistribution in same proportion as original allocations

PERKINS ACT ALLOCATIONS COULD BE BETTER TARGETED TO LOW-INCOME COMMUNITIES

Among the Perkins Act's objectives is the targeting of funds to poor communities as well as the groups of traditionally underserved vocational education students who are often concentrated in these communities. However, we found three aspects of the way federal funds have been distributed which tend to target money to more affluent school districts and away from special populations in EDAs.

Impact of Economically Depressed Area Designations

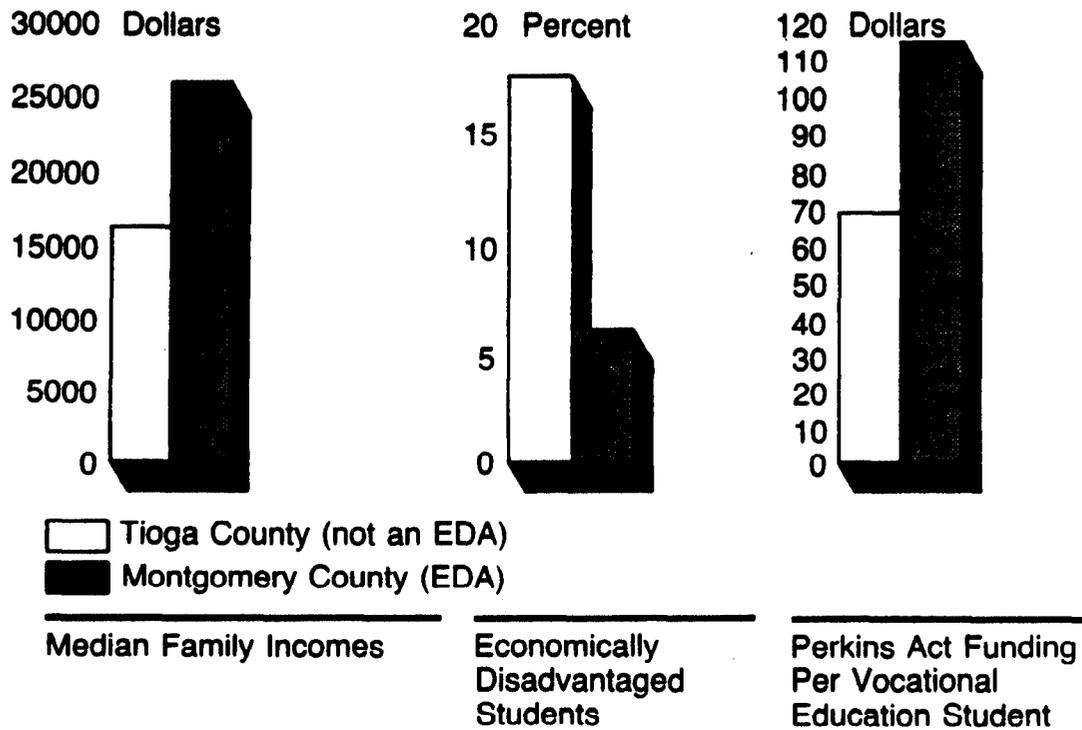
We found that the process some states use for designating EDAs favors wealthier communities over poorer ones. In some instances per-capita funding to vocational education students in poor communities is less than in wealthier communities in the same state.

As mentioned earlier, more than half of each state's total basic vocational education grant is to be allocated to educational institutions in EDAs to assist such areas in raising employment and occupational competencies of its citizens. The Act's legislative history states that the basis for this provision is that school districts in such areas are presumed to need more funds to operate programs effectively, compared to less needy school districts in the same state. Each state we studied allocated more than half of its Perkins funds to EDAs as required by the law but we found wide variances in the criteria used by states to designate areas as economically depressed. (See exhibit IV.)

The Perkins Act defines an EDA as an economically integrated area in a state in which a chronically low level of economic activity or a deteriorating economic base has caused such adverse effects as (1) an unemployment rate which is at least 50 percent higher than the national or state average for the last 3 years or (2) a large concentration of low-income families. The Department of Education's implementing regulations indicate that additional criteria may also be appropriate, such as heavy concentrations of Chapter 1 students or students receiving free or reduced-price lunches.

In the six states we studied, the percentage of localities designated as EDAs in each state ranged from 13 percent to 79 percent. Three of the states (Arkansas, Maryland, and Pennsylvania) classified more than 50 percent of their localities as EDAs. The following examples describe in more detail the criteria and methods Pennsylvania and Maryland used to allocate funds, and illustrate the resulting impacts.

GAO Impact of EDA Designation



Pennsylvania used as one of its criteria for designating EDAs the total number of low-income individuals--rather than the percentage of such individuals in the county which would measure their concentration. Pennsylvania thus classified Montgomery County--which has the third-largest county population in the state--as an EDA because it had a large number of low-income people. But, Montgomery County also had the highest median family income in the state and one of its lowest poverty rates. At the same time, Pennsylvania's criteria excluded a number of less-populated counties even though they had much lower median family incomes and higher poverty rates than Montgomery County. For example, one such county, Tioga County (a rural county Pennsylvania did not classify as economically depressed) received \$68 for each vocational student whereas Montgomery County received \$114 for each vocational education student. The impact of these designations are shown graphically above. We observed similar situations among other Pennsylvania counties.

In Maryland, about 7.5 percent of the families statewide had incomes below the poverty line. However, Maryland used as its criteria for designating EDAs, all school districts with 5 percent or more of the families having incomes below the state poverty level. In this manner, Maryland classified 19 of its 24 county/city school districts as economically depressed. For comparison, if the state had chosen 7.5 percent as the EDA threshold criteria, 12 (rather than 19) of the school districts would have been designated as EDAs.

It should be noted that the Department of Education must approve state EDA criteria as part of its review of each state's vocational education plan and has done so but without analyzing the funding impact of these designations on individual districts.

**Disadvantaged Allocation Formula
Includes Students With Only
Academic Problems**

The allocation formula used to distribute funds for the disadvantaged population within each state includes a factor for students who have academic difficulties but are not necessarily from low-income households.

All participating school districts are provided a share of each state's disadvantaged population funds using a two-part allocation formula. One half of the formula is based on the district's total number of low-income students while the other half is based on the district's number of vocational education students who are academically disadvantaged and/or low-income. The inclusion of nonpoor students having academic difficulties in the second part of the allocation formula has sometimes had the affect of shifting Perkins funds away from poorer communities as shown in the next chart.

GAO "Disadvantaged" Formula Includes Academic Problems

Districts	Median Family Income	Low Income Students Grade 9-12	Disadvantaged Students Enrolled in Voc. Educ.	Total Funding Per Low Income Student
San Ramon, CA	36,404	12	600	1,958
Oakland, CA	17,622	6,701	4,459	71
Wichita, KS	21,061	550	2,450	275
Pittsburg, KS	15,874	77	39	113

The San Ramon school district received 27 times as much funding per low-income student as the Oakland, California, school district, a much poorer district with less than half the median family income of San Ramon. Eliminating academically disadvantaged students from the allocation formula in San Ramon, California, a school district where the median family income is \$36,404, would have reduced Perkins funding to that district by 94 percent because the number of students counted (600) included at most 12 low-income students.

More generally, we found that 22 percent of the 1,639 school districts, or 366 school districts, in the six states we reviewed had more academically and/or economically disadvantaged students enrolled in vocational education programs than they had low-income high school students in the entire district. In school districts where student counts for the "disadvantaged enrolled in vocational education" exceeded those for "low-income" in the school district, the excess student count in each school district represents a minimal estimate of the number of those students with only academic difficulty in these districts.

GAO Returned Disadvantaged Allocations

State	Allocations of \$1,000 or Less		Allocations of More Than \$1,000	
	Eligible School Districts	Districts Returning Funds	Eligible School Districts	Districts Returning Funds
Arkansas	22	41%	296	22%
California	37	62%	338	10%
Maryland	0	0%	24	4%
New Jersey	49	84%	219	18%

Formula Funds Can Be Reallocated From Poor to Wealthier Communities

Perkins disadvantaged and handicapped population funds allocated by statutory formulas and returned to the state by some eligible recipients can then be reallocated from poor to wealthier communities. The extent of disadvantaged allocations returned in four states is shown in the graphic.

In four states, a substantial number of school districts returned their Perkins allocations designated for disadvantaged and handicapped students either because the amounts were too small to be used effectively or the localities were unable to match the Perkins Act funding. Considerably more districts that were allocated funds of \$1,000 or less for the disadvantaged and handicapped population returned them than districts that received allocations of more than \$1,000. For example, 84 percent of New

Jersey's forty-nine school districts that were allocated \$1,000 or less of disadvantaged funds returned their entire allocations compared to only 18 percent that returned allocations of more than \$1,000.

The Perkins Act is silent on how states are to redistribute returned funds. As a result, in Maryland, approximately 20 percent of the original allocations for the handicapped and disadvantaged were shifted from economically depressed areas to wealthier areas, apparently because wealthier communities were better able to meet federal matching requirements.

MATTERS FOR CONGRESSIONAL CONSIDERATION

If Congress decides to increase funding for Perkins Act program improvement activities, it should ensure that the Act's targeted special populations also benefit from any increased program improvement activities.

If the Congress wants to target additional Perkins Act funds to poor communities, it could amend the Act to (1) require states to allocate at least as much Perkins funding for each vocational student in EDAs as in other areas of the states, (2) remove "academically disadvantaged" students who are not poor from the fund allocation formula for the disadvantaged population and (3) require that any Perkins fund redistributions for the disadvantaged and handicapped populations be made in approximately the same proportions between poorer and wealthier areas as the original allocations.

To reduce the frequency with which disadvantaged and handicapped allocations are returned by localities, Congress could allow states to establish minimum grant amounts appropriate for their circumstances or establish a minimum dollar level for local disadvantaged and handicapped population grants.

RECOMMENDATIONS TO THE SECRETARY OF EDUCATION

To improve program oversight of the Perkins Act, we recommend that the Secretary of Education (1) require states to substantiate to federal program officials their criteria for designating local areas as "economically depressed" for funding allocation purposes and submit supporting state enrollment and funding data, (2) direct the Assistant Secretary for Vocational and Adult Education to analyze the reasonableness of state criteria for such designations using enrollment and funding data submitted by the states and (3) provide the leadership needed to complete development of a national vocational education data system.

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That concludes my prepared statement. My colleagues and I will be happy to answer any questions you or other members of the Committee may have.

**Principal Uses of Perkins Act Funds for the Special Populations
In Six States Visited by GAO**

<u>State Visited</u>	<u>Uses of Perkins Act Funds</u>
Arkansas	Salaries of teachers' aides and instructional materials for the disadvantaged and handicapped; training programs and scholarships for adults; career development, guidance, counseling and educational services for single parents/homemakers; sex equity specialist and associated programs; equipment purchases for instructional programs for criminal offenders.
California	Special projects to develop exemplary programs and prevent dropouts among disadvantaged students; employment training and resource system for the handicapped; adult training programs; grants for guidance, counseling and employability skills development for single parents/homemakers; teacher training and support services for students in non-traditional careers; staff development, guidance and counseling, and instructional programs for criminal offenders.
Kansas	Supplemental services for the disadvantaged and handicapped; emphasis on new business and technology development for adults; updating single parents/homemakers' skills for re-entry into the workforce, including counseling and vocational training; sex equity specialist, with emphasis on non-traditional career programs and teacher in-service training; vocational program/service expansion and improvement for criminal offenders.
Maryland	Vocational support service teams for the disadvantaged and handicapped, which provide vocational assessment, guidance and counseling, academic support, and job placement; job skill training, customized technical skills training and supplemental services for adults; occupational and employability skills training, and technical assistance to local education agencies, for single parents/homemakers; information dissemination,

technical assistance and cooperative projects with the private sector to eliminate sex bias.

New Jersey

Staff, equipment, supplies and services to develop, provide, modernize and expand vocational activities, programs and services designed for the disadvantaged, handicapped and adults, including outreach and intervention to prevent dropouts; model programs, small business ownership and marketable skills training for single parents/homemakers; establish regional equity centers and exemplary programs to eliminate sex bias; vocational training, career guidance and counseling for criminal offenders.

Pennsylvania

Additional vocational education assistance through a variety of projects, including technical assistance and in-service programs for the disadvantaged and handicapped; career guidance and counseling and job training for adults; career guidance and counseling, instruction in employability skills, vocational training and job placement for single parents/homemakers; in-service training and technical assistance to sex equity coordinators; vocational counseling and assessment, skills training and job placement for criminal offenders.

**Principal Uses of Perkins Act Funds for the Special Populations
In 18 Localities Visited by GAO**

<u>Local Institutions Visited</u>	<u>Local Uses of Perkins Act Funds</u>
<u>Arkansas</u>	
Riverside Vo-Tech School	Instructional equipment and computer equipment for criminal offenders' programs.
Southern Arkansas University Uptown Center	Salaries for community-based organization providing referrals and assistance to single parents/homemakers.
Jonesboro Area Vo-Tech High School	Salaries; books; counseling and tutoring for handicapped and disadvantaged students.
Westark Community College	Job-seeking skills workshops, career counseling for single parents/ homemakers; offered additional semester of program for upgrading nursing certification.
<u>California</u>	
Los Angeles Unified School District	Instructional equipment and supplies; counseling and needs assesment services; model programs for disadvantaged and handicapped, eg., support teams providing remedial education and counseling to about 1,200 students in 15 high schools.
Los Rios Community College District	Supplemental services such as education advice, child care referrals, job placement assistance; specialized equipment for handicapped students.
San Ramon Valley Unified School District	Books and supplies; computer software auto shop/math course for potential drop-outs; keyboarding equipment for special education students.

Kansas

Paola Unified
School District

Computer equipment for the disadvantaged; handicapped funds allocated to another local school, used for teachers' salaries.

Manhattan Area
Vo-Tech School

Salaries of teachers' aides, placement coordinator, computer learning center instructor for disadvantaged and handicapped; private sector trainers for adult program.

Dodge City
Community College

Instructor's salary and computer software to implement competency-based instruction for disadvantaged; install elevator in library for handicapped; career evaluation and individualized basic skills and vocational training for single parents/homemakers.

Maryland

Baltimore City
School District

Vocational support services (needs assessment, counseling, academic support); job, attitudinal and employability skill training in various vocational programs.

Baltimore County
School District

Vocational support services (see above); career opportunities program (small class sizes, special texts and equipment) to prevent dropouts.

Wor-Wic Tech
Community College

Vocational support services for disadvantaged and handicapped (see above).

New Jersey

Salem County
Vo-Tech Schools

Tutors and instructional aides; specialized equipment for handicapped; job training for single parents/homemakers.

Camden City Local
Area Vocational
School District

Tutorial and other support services for high-risk disadvantaged students; instructional equipment for vocational programs.

Mercer County
Community College

Basic skills instruction, career assessment and counseling to prepare disadvantaged students for vocational coursework; instructional equipment for manufacturing processes course.

Pennsylvania
Community College
of Philadelphia

Salaries and instructional equipment to serve handicapped, disadvantaged and adults, including counseling and support services, job placement, and equipment for handicapped.

School District
of Philadelphia

Salaries and books for instructional programs, vocational dropout prevention, pre-vocational outreach, counseling, and job search.

**Principal Uses of Perkins Act Funds for Program Improvement
Purposes In 17 Localities Visited by GAO**

**Local
Institutions Visited**

Local Uses of Perkins Act Funds

Arkansas

Camden High School

In-service training; writing and publishing a textbook for statewide teachers' use.

Jonesboro Area
Vo-Tech High
School

Integrate math and communication instruction into secondary vocational curriculum; model vocational counseling project.

California

Los Angeles Unified
School District

Professional development; curriculum development; instructional equipment and supplies to modernize programs (eg, graphic arts and food services).

Los Rios Community
College District

Equipment and supplies to modernize programs to keep pace with equipment used by business (eg, office occupations and mechanical-electrical technology).

San Ramon Valley
Unified School
District

Professional development; special project to revise and validate model curriculum standards and program for office education.

Kansas

Paola Unified
School District

Computer equipment used in a number of instructional programs.

Manhattan Area
Vo-Tech School

Computer-assisted design system for drafting program; teacher training in competency-based instruction.

Dodge City

Competency-based instruction; in-service

Community College

training for instructors in several program areas; curriculum improvement.

Maryland

Baltimore City
School District

Acquire state-of-the-art equipment used in instructional programs (eg, printing and food management); update curriculum.

Baltimore County
School District

Updated equipment and programs (agriculture production and general office); in-service training for teachers to upgrade their skills.

Wor-Wic Tech
Community College

Acquire modern equipment, including computers, used in instructional programs (radiologic technology and hotel, motel and restaurant management).

New Jersey

Salem County
Vo-Tech High
School

Acquire modern equipment for use in auto body and auto mechanics programs.

Camden High
School

Funded two full-time placement counselors; acquired computers for instructional programs and for placement office.

Mercer County
Community College

Acquired state-of-the-art equipment for use in computer graphics program.

Pennsylvania

Community College
of Philadelphia

Curriculum development for technical writing program.

School District
of Philadelphia

Salary of industry-education coordinator; support services for cooperative education students; competency-based materials; acquired modern equipment for instructional programs.

Western Montgomery
County Area
Vo-Tech School

Updated training equipment used in
automotive mechanics and welding
programs.

Criteria Used in Six States to Designate Economically Depressed Areas

<u>State</u>	<u>"Economically Depressed Area" Criteria</u>	<u>Local Areas in State Total Number</u>	<u>Economically Depressed</u>
Arkansas	40% of students in school district receiving free or reduced lunch or 17% or more families below poverty level.	322	214 (66%)
California	Unemployment rate in school district more than 50% above national average and/or AFDC rate higher than state's 11.6% average.	383	176 (46%)
Kansas	20% of families in school district below poverty line.	304	136 (45%)
Maryland	5% of families in school district below poverty line, or unemployment rate more than 50% above state average.	24	19 (79%)
New Jersey	12% or more of families in school district receiving AFDC support; or unemployment rate more than 50% above national average; or median family income of \$17,500 or less.	605	79 (13%)
Pennsylvania	Counties with greatest numbers of low income individuals and/or unemployment rate more than 50% above national average.	67	36 (54%)

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